



**Press Release**

**ATTORNEY GENERAL'S OFFICE**

## **ATTORNEY GENERAL COLBERG ANNOUNCES SETTLEMENT WITH DELL AND DELL FINANCIAL SERVICES**

FOR IMMEDIATE RELEASE

January 12, 2009

(Anchorage, Alaska) Attorney General Talis Colberg announced a settlement with Dell Inc. and Dell Financial Services to address the company's practices related to financing promotions, technical support and repair policies and rebate offers. The settlement will also provide restitution for consumers harmed by these practices.

Under the agreement, Texas-based Dell Inc., and its subsidiary, Dell Financial Services, LLC, admit no wrongdoing but agree to pay \$25,000 in restitution to eligible Alaskan consumers who file claims by April 12, 2009.

Similar agreements were reached by 30 other states as part of a multistate investigation led by Washington and Connecticut. The investigation followed consumer complaints in many states about practices by Dell. Some consumers reported applying for what Dell advertised as zero-interest financing but they were later charged higher interest rates. Others had trouble obtaining warranty service on their Dell computers. Many said they never received promised rebates.

It's not yet known how many consumers in Alaska or nationwide may be entitled to refunds under the settlements. Alaskan consumers may apply for refunds if they 1) made a Dell purchase between April 1, 2005 and January 12, 2009, 2) incurred financial loss related to the practices addressed in the agreement, and 3) file a claim with the Attorney General's Office within the 90-day period. The amount of money issued to individual consumers will depend on the number of claims and the total amount claimed.

Alaskans who believe they are eligible for a refund should request a claim form from the Attorney General's Office by calling 269-5200, or outside of Anchorage, 1-888-576-2529, or by sending an email to [consumerprotection@alaska.gov](mailto:consumerprotection@alaska.gov).

The agreement also addresses the business practices identified by the states as consumer protection violations. The company agreed to clearly inform applicants for Dell credit accounts that they are applying for a revolving open credit account (that is, an account that works like a

credit card), that minimum monthly payments are required, that penalties apply for late payments or for other reasons, and whether subsequent purchases using the account will be subject to the same financing terms. Dell must notify consumers that approval of the account does not guarantee that the consumer will also qualify for conditional financing promotions (such as zero-percent interest for 90 days). For promotional credit offers, Dell will disclose in advertisements that the majority of consumers who apply won't qualify for the best annual percentage rate (APR), and will disclose the range of initial APRs that consumers are likely to receive. Dell will inform consumers of their right to cancel orders made with the Dell credit account within three days after receiving the written terms and conditions for the account.

Regarding warranties and services, Dell must fulfill its warranty obligations within 30 days from the date of notification or receipt of a defective product. The company must disclose whether consumers must first go through phone-based troubleshooting before Dell will provide on-site repair or warranty-related service.

Dell must provide rebate documentation at the time the product is delivered or the service is provided, and it must mail rebates within the advertised time frame, or within 30 days if no date is specified.

For more information about the settlement, please contact Assistant Attorney General Cynthia Drinkwater at (907) 269-5200.